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Review and coordination of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010

Implementation of the Programme of Action for the Least Developed Countries

Report of the Secretary-General

Summary

The present report is submitted in accordance with General Assembly resolution 57/276 of 20 December 2002 and Economic and Social Council resolution 2002/33 of 13 August 2002.

The report chronicles the policies adopted by least developed countries as well as progress made and challenges remaining in implementing the Brussels Programme of Action. The report records and examines the decisions and programmes undertaken by the international development partners, including the United Nations system, the Bretton Woods institutions, other multilateral organizations, the donor community, civil society and the private sector, in mainstreaming the Brussels Programme of Action for the Least Developed Countries.

The conclusions drawn and the recommendations put forward are geared to ensure that monitoring mechanisms and follow-up procedures are put in place that will result in coherent and coordinated implementation of the Brussels Programme of Action. Such actions are expected to assist least developed countries in overcoming the challenges that impede implementation of strategies for poverty reduction and sustainable development.

* A/58/50/Res.1 and Corr.1.
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I. Introduction

1. In its resolution 57/276 of 20 December 2002, the General Assembly requested the Secretary-General to submit to it through the Economic and Social Council a comprehensive annual progress report on the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010[1] adopted at the Third United Nations Conference on the Least Developed Countries, held in Brussels in May 2001. The resolution also called for an adequate allocation of resources for the functioning of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, which has responsibility for 49 least developed countries (LDCs), of which 16 are landlocked developing countries and 11 are small island developing States. In separate resolutions (57/242 and 57/262), the General Assembly requested that separate reports under agenda items relating to the landlocked and small island developing States be submitted at its fifty-eighth session in 2003. In accordance with General Assembly resolution 56/227 of 24 December 2001, and in keeping with the mandate set out in the report of the Secretary-General on a follow-up mechanism for coordinating, monitoring and reviewing the implementation of the Brussels Programme of Action,[2] the Office of the High Representative commenced its mission to mobilize international support for the Programme of Action, ensuring effective coordination, monitoring, advocacy and review of its implementation.

2. The Economic and Social Council, in its resolution 2002/33 of 26 July 2002 reaffirmed that global-level follow-up to the Brussels Programme of Action should be primarily concerned with assessing the economic and social performance of the LDCs, and monitoring the implementation of their commitments made in Brussels, as well as the performance of their development partners. In the same resolution the Council requested the High Representative to submit a comprehensive progress report on implementation of the Programme of Action to it at its substantive session of 2003, in an appropriate format, such as a matrix of achievement.

3. The present report is submitted in compliance with the requests contained in General Assembly resolution 57/276 and Economic and Social Council resolution 2002/33.

4. The United Nations Millennium Declaration, adopted by the General Assembly in its resolution 55/2 of 18 September 2000, and the Johannesburg Declaration on Sustainable Development and the Monterrey Consensus of the International Conference on Financing for Development, endorsed by the General Assembly on 20 December 2002 and on 9 July 2002 respectively, called on the international community to give special attention to the least developed countries.

5. The Brussels Programme of Action acknowledges that the objectives of the previous two decade-long programmes of action for LDCs remained basically unattained. LDCs, not having been able to take advantage of globalization, enduring capacity constraints, remain marginalized and exposed to an array of vulnerabilities that undermine their own reform efforts. The Brussels Conference differed from its Paris predecessors in a number of important respects. LDC Governments, individually and collectively, were more active prior to and during the Conference. A participatory preparatory process that involved civil society organizations and the private sector at national levels resulted in a wider consensus in Brussels. Also, the

Brussels Programme of Action was built on goals and targets adopted by United Nations conferences held prior to the Brussels Conference in the 1990s. The need for the establishment of an effective and highly visible follow-up mechanism to oversee coordination, implementation, review, monitoring and advocacy of the Programme of Action was strongly felt by all, particularly the least developed countries, resulting in the subsequent decision of the General Assembly to set up the Office of the High Representative, upon the recommendation of the Secretary-General.

6. The first report chronicles the various activities undertaken by the least developed countries and their international development partners in implementing the Brussels Programme of Action, in terms of mainstreaming the goals and targets within the various programmes and progress in providing support for the seven commitments set out in the Programme of Action. The report reaffirms the importance of assessing the economic and social performance of LDCs, but in the light of the 18-month time frame of this first substantive report and the dearth of LDC-specific information from many international development partners, the present report is based mainly on illustrations. Two matrices are being provided separately as conference room papers, one for LDC activities and the other for the United Nations system and the donor community. The report is based on inputs from LDCs and their development partners,[3] including their existent reports.

II. Implementation of the Brussels Programme of Action

7. The Brussels Programme of Action set out seven specific commitments geared to promoting sustained economic growth and integrating LDCs into the world economy. Poverty eradication, gender equality, employment, governance, capacity-building, sustainable development and special problems of landlocked developing countries and small island developing States are singled out as cross-cutting priority issues. The major challenge for the LDCs and their international development partners is for each entity to honour its commitments made in Brussels, coordinating institutional initiatives and resource flows with the Programme of Action.

8. Throughout the Brussels Programme of Action, there are prominent references to the gender dimension and its importance is fully acknowledged as being cross-cutting. In almost every commitment the role and contribution of women to development are emphasized. All parties must therefore take account of the Beijing Platform for Action adopted by the Fourth World Conference on Women and of the Convention on the Elimination of All Forms of Discrimination against Women.

9. Over the past four decades, South-South cooperation has focused on issues of trade, participation in the global economy, technology transfer and capacity-building. The Brussels Conference aimed to utilize South-South cooperation by expanding technical assistance, including triangular approaches, building human and productive capacity and exchanging information on best practices in implementing the Brussels Programme of Action.

10. The majority of LDC Governments have adopted policies and pursued strategies to achieve the goals set out in the Brussels Programme of Action. The Governments of Benin, Bhutan and the Sudan, for example, have incorporated non-governmental organizations (NGOs) in the national forums established after the Brussels Conference to ensure their continued association with the implementation

and monitoring of the Programme of Action. LDC Watch, which grew out of the Conference, undertook responsibility to monitor implementation of the Programme of Action and to strengthen the capacity of five LDC NGOs[4] in order to deepen their participation. However, LDCs face three major challenges, in terms of national ownership of the programmes of assistance, development of national capacity to implement those programmes and the cost of implementing them. As international development partners become more active in upstream policy formulation, there is a lingering perception that LDC loss of policy autonomy, combined with capacity constraints, will make achieving the agreed goals of the Programme of Action a more complex task.

11. Although the European Commission (EC) does not explicitly distinguish LDCs as a category in its development assistance, its cooperation activities focus primarily on the same priorities as those set out in the Brussels Programme of Action.[5] Successful implementation of the Programme of Action will ultimately depend on the spirit of "shared responsibility" that prevailed in the global partnership in the implementation of the Brussels Declaration outcome. Donor decisions to increase official development assistance (ODA), improve investment opportunities for LDCs, harmonize and untie development assistance and strengthen national coordination arrangements will undoubtedly advance the implementation of the Programme of Action.

12. The governing bodies of a number of United Nations organizations[6] have taken a specific decision to mainstream the Brussels Programme of Action. Other multilateral organizations have taken similar positive steps.[7]

Commitment I
Fostering a people-centred policy framework

13. The commitment of LDCs to pursue policies fostering a people-centred approach to development was intended to ensure that the necessary environment was created in their countries to eradicate poverty. The halving of the proportion of people living in poverty and suffering from hunger by 2015, the promotion of sustainable development, the attainment of a growth rate of at least 7 per cent annually and an investment to gross domestic product (GDP) ratio of 25 per cent were all intended to create an environment in which the poor were to be given priority and LDCs embraced better distribution policies. In the absence of statistics for 2000 for all LDCs, data for the period 1990-1999 suggest that five LDCs[8] have achieved the growth rate target of 7 per cent and nine[9] are likely to reach the investment to GDP ratio of 25 per cent.

14. Notwithstanding positive indications of progress from some LDCs, the overall situation remains challenging to many. In Zambia, a committee under the authority of the Ministry of Finance and Planning spearheaded consultations amongst all stakeholders in the design, implementation and monitoring of its development programme and several subcommittees have been charged with specific tasks relating to the Brussels Programme of Action. The Governments of Benin, Bhutan and the Sudan have established national forums to follow up and monitor all governmental activities in the context of the implementation of the Programme of Action. In Bhutan, the Five-Year Development Plan: 2002-2007 follows closely the key areas set out for governmental action under the Programme of Action. In Samoa, a new development strategy "Opportunities for All" (2002-2004),

emphasizes the need for targeting community groups so as to define more clearly their participation in the development process. The Government of Laos has prepared a national poverty eradication programme that takes account of major fiscal and financial sector reforms to boost economic growth and facilitate development. An interim poverty reduction strategy paper (PRSP) has been elaborated in Guinea-Bissau with a participatory process that includes civil society, the regions, employers and NGOs.

15. The Brussels Programme of Action reaffirmed the significance of poverty reduction strategies for growth and sustainable development. Donors emphasize that ownership and governance are necessary conditions for effective partnership in implementing poverty reduction and sustainable development strategies. This position is reinforced by the advocacy of the Government of Sweden for empowerment and rights-based development, particularly for women, the advocacy of the United Kingdom of Great Britain and Northern Ireland Department for International Development (DFID) for involving the poor in the development process, the organization by the Government of Italy of a public awareness workshop, the underwriting by the Government of France of microcredit schemes and the support provided by the Government of Portugal to women and local NGOs. These actions coincided with a call by the Government of Germany for flexibility in the policy dialogue following an international conference (May 2002) on the PRSP process.[10] With 22 African LDCs having produced or being close to finalizing nationally owned PRSPs, the Economic Commission for Africa (ECA) points to capacity constraints in project identification, formulation, implementation and financing.[11]

16. With the heightened policy dialogue involving LDCs and their development partners around PRSPs, the resources that the process attracts and the introduction of innovative dimensions by a number of United Nations entities, the image of the PRSP continues to improve as a vital tool for macroeconomic policy and structural reform. The ECA policy dialogue involving ministers of finance, development practitioners and civil society, manifest in the Big Table[12] and PRSP Learning Group[13] initiatives, encourage African ownership, including African LDCs, of poverty-reduction strategies by focusing inter alia on public expenditure management, participatory processes, capacity requirements and donor policies and modalities. The World Health Organization (WHO) Commission on Macroeconomics and Health along with the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) subgroup on poverty and health work to integrate comprehensive health sector programmes in PRSPs. Guidelines of the Office of the United Nations High Commissioner for Human Rights (UNHCR) that seek to incorporate human rights in poverty reduction strategies, the initiation by the International Labour Organization (ILO) in four LDCs[14] of a Decent Work Pilot Programme, focusing on a coherent set of policies that address the effects of globalization, poverty eradication and employment, the methodological work of the United Nations Conference on Trade and Development (UNCTAD) combining national accounts and household survey statistics and providing internationally comparable data on poverty, and United Nations Development Programme (UNDP) support for fiscal decentralization, empowerment, capacity-building and the Africa 2000 network in eight LDCs,[15] as well as participatory approaches that link PRSPs and the Millennium Development Goals, all contribute to cementing the PRSP as a national policy instrument.

Resources mobilized, for example through the IMF Poverty Reduction and Growth Facility and the World Bank Social Funds that finance small community-managed projects that empower the poor and the vulnerable are aimed at overcoming financial constraints.

Commitment II
Good governance at the national and international levels

17. Many LDCs fully accept the universality of good governance. In embracing democratic reforms, African LDCs have increased popular participation: 30 countries have carried out multiparty legislative and/or presidential elections in which women played an important role. In Mali and Cape Verde, international agencies supported political reforms that were necessary for the creation of a more democratic society in those countries. Democratic changes have taken place in Afghanistan, Bhutan and Cambodia. In the other Asian LDCs (Myanmar, the Lao People's Democratic Republic and Nepal) it seems that a gradual approach is being applied. In building capacity for governance functions identified in the Brussels Programme of Action, international development partners will need to provide financial and technical support for enhancing the capacity of LDCs to organize democratic institutions and processes, as well as for national human rights mechanisms. Equally, by donors' building open and transparent systems of global governance LDCs will benefit directly. Some noteworthy illustrations of undertakings to strengthen LDC capacity to manage governance functions are United Kingdom DFID funding of a local government reform programme in the United Republic of Tanzania, G-8 support to the New Partnership for Africa's Development (NEPAD), which includes 34 LDCs, Italian participation in the African Regional Technical Assistance Center (AFRITAC), the introduction by OECD/DAC of the "peer review mechanism" for aid effectiveness and global governance, donor contributions to the Africa Governance Forum, as well as seminars on democratization, human rights and the rule of law offered by the Governments of Japan and Sweden.

18. The Division for the Advancement of Women of the United Nations Secretariat has sponsored a number of workshops in LDCs on parliamentary processes and the working of the judiciary with the aim of building up the capacity of women in leadership positions. Equality Now is active in promoting women's rights around the world. Most donors channel resources to gender-oriented programmes, recognizing that the empowerment of women in productive activities is beneficial in terms of equality of opportunity, access to assets, leadership and decision-making. Mainstreaming gender equality is a fundamental requirement of EC development cooperation.

19. The United Nations system provides support to a wide selection of governance programmes, some predating the Brussels Programme of Action, but clearly responding to the needs of LDCs. With the aim of strengthening institutional capacity and deepening processes that reinforce democratization, the World Bank anti-corruption strategy[16] addresses regulatory frameworks. The United Nations Volunteers (UNV) promotion of the rule of law for greater access to justice (Haiti), decentralization (Mali and Laos) and human rights (Uganda) places emphasis on the protection of individual rights at various levels of government, as do the Economic and Social Commission for Asia and the Pacific (ESCAP) pilot of projects in its Human Dignity Initiative and workshops in Cambodia and Nepal. ECA and UNDP

have organized consultative processes involving Governments, civil society, private sector and research institutions that seek to inculcate the principles of good governance firmly within societies through multi-stakeholders national and international consultations. Twenty-three LDCs have participated in the UNDP Africa Governance Forum, launched in 1997, covering such themes as accountability and transparency, conflict management, parliamentary processes and local governance for poverty reduction, with funding from the Governments of Italy, Japan, Norway, Switzerland, the United Kingdom DFID and the European Commission. The ECA governance project, comprising political representation, economic management and corporate governance, developed indicators in a number of African countries, the majority of them LDCs, to measure and monitor governance in sub-Saharan Africa. These indicators will be presented in the first Africa Governance Report. There is extensive LDC representation on the UNAIDS Programme Coordination Board, which has responsibility for policy development and rule setting. Zambia currently has the Presidency of the Board. Transparency in the design of major development programmes is promoted through participatory national AIDS commissions.

20. During 2002, the International Telecommunication Union (ITU) provided special assistance to 12 countries that are emerging from war, utilizing the Telecom Surplus Fund that finances sector reform and reconstruction of telecommunications infrastructure. The majority of the participating countries are LDCs.

21. Donors, notably the Governments of Japan, Germany, Portugal and Sweden, often working through NGOs, have prominent activities in the area of conflict prevention, as well as supporting confidence-building, post-conflict peace-building, reintegration, reconstruction and humanitarian interventions. Many LDCs are in crisis, facing conflict or emerging from recent wars. Action Aid, Franciscans-International and CARE International have been actively involved in the areas of conflict management, peace-building and livelihood security in Sierra Leone, the Central African Republic and Nepal, respectively. International support has been crucial for Burundi in organizing follow-up activities to peace agreements in the context of the Arusha Peace Accord. The experience of Cambodia is similar: international assistance was vital in reconstituting governmental authority, setting a path for reconstruction and rehabilitation.

22. These activities go well beyond the OECD category of "emergency aid", but correspond to some extent to the areas covered by the United Nations Consolidated Appeals Process (CAP) in which donor support is crucial. Of the 25 appeals for humanitarian assistance launched by the United Nations in 2002, 16 directly addressed the needs of LDCs, accounting for $3.7 billion (84 per cent) of a total of $4.4 billion. Overall, the donor response rate to these appeals was within a range of from 11.5 to 95 per cent, depending on the country or region for which aid was sought.[17] While these numbers primarily reflect donors' response to acute humanitarian needs, they also indicate funding for the reintegration and recovery aspects of complex emergencies, which are increasingly part and parcel of the appeals process. In this regard, attention should also be paid to the response of the donor community to special appeals outside of the annual CAP, such as for the reconstruction of Afghanistan, where the response has been quite positive. The major contributions made by some donors in support of United Nations peacekeeping and peace-building operations are noteworthy.

Commitment III
Building human and institutional capacities

23. The primary difficulty for LDCs in realizing this commitment arises from a paucity of data, partially offset by the World Development Indicator Database (April 2002),[18] and limited capacity. Data on all social indicators relevant to the Brussels Programme of Action is available only up to the year 2000. The Programme of Action has 13 human development goals that could be measured and monitored in quantitative terms, but measurement at this early stage seems impossible considering that this has not yet been accomplished for the Millennium Development Goals. The DAC 2002 report[19] points to incomplete geographic coverage as an impediment in providing global estimates for Millennium Goal indicators and to the need for increased national capacity to produce data. Some data showing developments from 1990 to 2000 set out the challenges in reaching the agreed targets in the time frames set. The situation facing sub-Saharan Africa seems especially acute.

24. The tasks to be accomplished in the areas of health, education, sanitation and nutrition are simply overwhelming for many LDCs. Available figures show that 19 out of 33 African LDCs have maternal mortality rates of above 1 per 100 live births.[20] One quarter of the children in 33 out of 43 LDCs are undernourished. Net primary school enrolment figures for 22 LDCs show that less than half the children are in school in 10 of those countries.[21] Another difficulty is the cost of programmes. Many LDCs continue to rely heavily on development assistance to finance their social sectors, such as basic services in hospitals and health centres, building schools, designing curricula and training workers. Japan's Basic Education for Growth Initiative (BEGIN) as well as EC assistance directed to universal primary education, Portugal's support to education at the primary, secondary and tertiary levels for six LDCs[22] and Canada's commitment to double basic investments in education in Africa are positive contributions to LDC attempts to meet Brussels Programme of Action targets. Many NGOs are also active in these sectors, showing that with limited funds it is possible to make a difference in the lives of the poor. For example, CARE International manages to reach 23,000 students in Afghanistan, of whom 46 per cent are girls, through a community-based education project that is low-cost and sustainable as it respects local norms.

25. Samoa indicates that it devotes 75 per cent of its total annual development assistance package to the social sectors. Working together, the Government and the private sector have provided health and education services to the population, such as early childhood and special education, increased immunization (95 per cent) and improved access to clean and safe water (85 per cent). In the case of Burkina Faso, the Government collaborated with local small businesses, with German private sector support, in providing a high-quality, low-cost water supply to poor communities in Ouagadougou. Similarly, resources from German companies are being actively used in HIV/AIDS prevention and treatment in southern Africa. Uganda and Germany have mounted an education campaign in cooperation with the pharmaceutical industry to raise awareness of malaria prevention through the use of nets.

26. The global estimate of people living with HIV was 42 million in 2002. LDCs are among the worst affected countries and their domestic resources are woefully inadequate to fight HIV/AIDS, malaria and tuberculosis at the same time. Together with donor agencies, the Government of Ethiopia has tested new ways of fighting

the epidemic. The approach has blended the use of clinical trials with civic education so as to change people's attitude to the disease. The Government of Madagascar has elaborated a strategy for disaster management and has in place a plan to combat HIV/AIDS and to improve health services. Through South-South cooperation, networks have been established and experience shared on the management of HIV/AIDS programmes, with special attention to lowering the price of related drugs. Action AIDS launched a three-year programme in Burundi, Ethiopia and Rwanda to scale up the response of the Governments and civil society to the crisis. The case for building human and institutional capacities remains urgent. The emphasis placed by the Government of Canada on HIV/AIDS and health and nutrition, the United Kingdom DFID-funded programme in Mozambique promoting the National Strategic Plan against the epidemic and the contribution of the Government of Italy and that of EC to the Global Fund to Fight AIDS, Tuberculosis and Malaria as well as the collaboration of the Government of Italy with WHO in 10 sub-Saharan countries, including 7 LDCs,[23] address resource and capacity constraints.

27. UNAIDS has placed international advisers in 23 LDCs[24] and, working through United Nations theme groups, leads the system-wide collaboration, with the United Nations Development Programme (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO) as co-sponsors. Its advocacy for equitable access to basic services including health care and education, and public awareness campaigns to combat the disease and other related illnesses has been rewarded by a fivefold increase in ODA spending on HIV/AIDS over the past five years. Coordination efforts and joint planning have resulted in reduced transaction costs. Collaboration between the Food and Agriculture Organization of the United Nations (FAO) and WHO during 2002 resulted in the introduction of a health and nutrition framework for combating HIV/AIDS and a manual on nutritional care but, clearly, more resources and innovative partnerships are needed, especially for the manufacture, distribution and purchase of more affordable drugs.

28. In response to the Brussels Programme of Action, the World Intellectual Property Organization (WIPO) established an LDC Unit that accords priority to deliverables for LDCs. The WIPO Global Information Network for intellectual data exchange and automating business functions of WIPO offices worldwide also expanded Internet connectivity in 11 LDCs.[25] The Worldwide Academy administers training and provides research and advisory services in patent and trademark matters, and collective management of copyright of music and culture in three African countries[26] and a regional initiative in the Pacific islands.

29. Further opportunities for improving human and institutional capacities in various aspects of development management are available through targeted assistance by United Nations organizations. Actions regarding this commitment has strong political support on the basis of the World Summit for Social Development, held in 1995 in Copenhagen, which included meeting the needs of LDCs as one of the 10 commitments to which it agreed. United Nations Development Fund for Women (UNIFEM) support to the Network of African Women Economists based in Senegal and to the Digital Diaspora Network for Africa to increase women's access to information and communications technology; the endorsement by the Executive Board of the International Monetary Fund (IMF) in May 2002 of the Africa Capacity Building Initiative strengthening Governments' domestic capacity in economic

governance, and World Meteorological Organization (WMO) strengthening and maintenance of basic meteorological infrastructure are crucial to LDCs in addressing Brussels Programme of Action priorities.

Commitment IV
Building productive capacities to make globalization work for LDCs

30. This commitment is of major importance to LDCs as it contains the key building blocks for economic growth and development (i.e. infrastructure,[27] technology utilization, enterprise development, energy, manufacturing, mining, agriculture and agro-industries, food security, rural development and tourism). The World Bank underscores this view, pointing out that well-implemented infrastructure investments have positive effects on local enterprises and community-based initiatives, leading to direct increases in income for poor communities. For instance, the Lesotho roads rehabilitation and maintenance project that developed a pool of small local entrepreneurs for rural road rehabilitation, including women entrepreneurs, and the Mali energy project that engaged local communities in the management of forests and community energy systems have demonstrated that point.

31. Despite the paucity of relevant information for 2001 and 2002, a few countries have been able to report some progress. Niger has developed an ambitious industrial development plan that supports a number of private sector activities designed to reduce poverty. Madagascar has set up a network of enterprises engaged in the production of edible oils, construction materials, fruits and vegetables. Through this network, support is given to strengthening managerial skills of entrepreneurs. In 2002, Mauritania developed a plan to combat desertification and devised an industrial strategy that will support private sector development. Enterprise Uganda was officially launched in 2001 as part of the UNCTAD technical assistance programme for productive enterprises, namely, the Entrepreneurship Development Programme (EMPRETEC). Cape Verde, Guinea-Bissau and Mozambique commenced similar programmes in 2002. In Samoa, the country's physical infrastructure continues to be well maintained and the private sector has been given a greater role in agricultural production. Village workshops and training centres have been established to raise the knowledge and skills of the rural population. In May 2002, the Government of Cambodia took a decision to diversify the economy,[28] building industries on the basis of the country's natural resources, such as meat, fish, cotton, sugar, palm oil, rubber, cassava and fruits.

32. The United Nations system utilized technical assistance to build capacity in investment promotion and, by means of multi-targeted training, introduced new technologies, reinforced technical services and expanded the usage of information and communications technology. The Investment Advisory Council for LDCs, launched by 18 LDC ministers and a number of business executives, received support from Sweden. The International Chamber of Commerce (ICC) was actively involved during the Brussels Conference and in follow-up at the Monterrey and Johannesburg meetings. Public-private partnerships for investment in LDCs are attractive and gaining support in a number of donor countries, for example in Portugal and Sweden. Many LDCs participated in EMPRETEC, which with funds from the Government of Germany supported women entrepreneurs. The UNDP regional programme reinforced advocacy for the empowerment of women and gender equity through targeted workshops on global access to inter alia investment

promotion and market intelligence. Training in management of microfinance projects and in budgeting is available through the Division for the Advancement of Women of the United Nations. ECA and UNV encouraged information and communications technology expansion, the former through the establishment of national information and communications infrastructure in 11 LDCs, with plans for an additional 13, and the latter by placing United Nations Volunteers in 16 LDCs to network public services at the national and decentralized levels, linking scattered small islands belonging to the same country (for example, Maldives), and to enable national campaigns on HIV/AIDS to reach isolated rural communities.

33. The Universal Postal Union (UPU) and the International Telecommunication Union (ITU) introduced new technologies to improve the quality of service and raise overall performance. Postal reform led to the realization of efficiency gains and personnel upgrading. With 80 per cent of the technical assistance budget of UPU directed to Africa, the continent with the majority of LDCs, mainstreaming of the Brussels Programme of Action by UPU is well attainable. Similarly, in 2002, ITU introduced new technologies in wireless utilization (in Bhutan), information and communications technology (in Haiti and Djibouti), reform and restructuring (in the Central African Republic and Djibouti) and expanded multipurpose telecentres (in Mali and Malawi). Reinforced by training, these activities began to yield positive results, reflected in improved teledensities and greater Internet penetration throughout LDCs.

34. United Nations Industrial Development Organization (UNIDO) renewable energy projects promoting solar, wind and biomass in six countries[29] have attracted Global Environment Facility funding. They are complemented by an institutional capacity-building project on renewable energy training for LDCs in the Pacific launched by the Economic and Social Commission for Asia and the Pacific (ESCAP) in 2002, which provides advisory services on energy efficiency in industry and renewable energy development to Cambodia and Vanuatu. Similarly, United Kingdom DFID investment in the gas sector in Bangladesh has the aim of improving efficiency in the management of production and distribution. With funding from UNDP, UNIDO has promoted simple diesel engine generation of electricity for lighting, refrigeration, water pumps and other tools in the regional multi-functional platform programme. Employment of rural women in viable income-generating opportunities has improved their management experience and raised their social status, with the added benefit that girls' attendance at school has increased, as they no longer have to help in the home when they should be in school. Platforms have been installed in Burkina Faso, Guinea and Mali and plans are moving ahead for Senegal.

35. FAO has placed emphasis on the two priority areas of agro-industries and food security. With respect to the first, best practices in forest management in Central Africa that were the subject of 14 case studies were a key input to a regional workshop in 2002 at which information and experiences were exchanged.[30] The Special Programme for Food Security, which addresses increased and sustainable food production, was expanded in 2002 to 39 LDCs, with support from the Governments of Italy and Japan. FAO utilized a South-South approach to food security[31] by providing experts from developing countries to work with farmers in rural communities in LDCs. In March 2002, 22 agreements[32] relating to food security were signed between other developing countries and LDCs. Additionally, the Trust Fund for Food Security and for Emergency Prevention of Transboundary

Pests and Diseases of Animals and Plants was established, with an initial target of US$ 500 million. Pilot projects in Burkina Faso, Haiti and Madagascar on the Food Insecurity and Vulnerability Information and Mapping System will seek to improve access to information for decision-making and policy and programme formulation and monitoring. Several LDCs benefited from the joint FAO/WHO Global Forum of Food Safety Regulators in 2002.

Commitment V
Enhancing the role of trade in development

36. LDCs view this commitment within the context of globalization and more specifically in relation to the World Trade Organization (WTO) and the United Nations system. Prior to the WTO Ministerial Meeting in Doha, in November 2001, the LDCs had taken advantage of technical cooperation offers in capacity-building and training from several United Nations organizations. In collaboration with United Nations system partners and African institutions, ECA organized a series of workshops for LDCs on trade policy formulation and negotiations. UNCTAD provided training in trade negotiations, market access and competitiveness aimed at building national and regional capacity for diversification of export commodities in preparation for WTO meetings. FAO clarified negotiating positions on agriculture-related issues for improved access. International Trade Centre (ITC) industry-level briefings on phasing out the quota system, provision of advisory and training services in competitiveness were incorporated in action plans for four LDCs,[33] addressing such issues as supply chain management, productivity improvement, product development, marketing and performance benchmarking. In Doha, the developed countries agreed to decrease significantly or scrap tariffs on imports from LDCs. Accordingly, EC policy orientation favoured mainstreaming of trade policies in LDC development policies (for example, PRSPs) and development assistance programmes. Agreement has also been reached to fast-track negotiations for LDC accession to and membership of WTO. The Economic and Social Commission for Western Asia (ESCWA) and UNCTAD conducted a workshop on procedures for Yemen's accession. Of signal importance was the first World Trade Organization (WTO) seminar on LDC accession, convened in Geneva in July 2002, which submitted guidelines to the WTO General Council.

37. The flagship project "Integrated Framework for Trade Related Technical Assistance for LDCs", as a partnership framework of core agencies (IMF, ITC, UNCTAD, UNDP, the World Bank and WTO), bilateral donors (EC and OECD/DAC) and the LDCs, is well positioned to ensure the integration of trade into development policies, a coordinated response and resources for LDCs in the context of the Brussels Programme of Action. Evidently, the Governments of Canada, Italy and Japan and the EC share this view. However, in view of the opportunities and challenges, a pilot phase was launched in three countries[34] and subsequently extended to 11 with ITC support,[35] with follow-up projects with Integrated Framework Trust Fund financing in five others.[36] The EC and member States contribute euro 2.3 million, more than half of the total bilateral contribution to the Integrated Framework Trust Fund.[37] The World Bank has taken the lead in testing the remodelled Integrated Framework — a diagnostic trade integration study, an action matrix of policy recommendations and priority technical assistance needs and trade policy priorities — as a mechanism for mainstreaming trade in national development plans and poverty reduction strategies. A monitoring and evaluation

process has been put in place through periodic heads of agency meetings to endorse good practices and address constraints.

38. Effective utilization of preferential arrangements is an even more serious problem for LDCs. The European Union's "Everything But Arms" initiative providing duty- and quota-free access, the United States of America Africa Growth and Opportunity Act, under which in December 2002 the Government approved the designation of 38 sub-Saharan African countries, including 25 LDCs,[38] as eligible for tariff preferences, and Japan's revised General System of Preferences scheme, as well as those of Canada and Switzerland, offer the LDCs large preferential margins for many agricultural and industrial products. Poland, Hungary and the Slovak Republic, new EU members, classified as emerging donors, have been equally forthcoming. Yet, the rates at which the preferences are utilized are extremely low owing to weak export supply capacity. Management of trade in many LDCs is inefficient, hence the low utilization rates. Asian LDCs such as Bangladesh and Nepal tend to register rates higher than those for African LDCs.[39] This institutional weakness has to be addressed by the LDCs through proper training and investments in modern technology.

39. Economic diversification is a critical component of trade policy for LDCs as a way of increasing exports of goods and services. The Common Fund for Commodities has been supporting LDCs that wished to pursue diversification policies through the identification of suitable projects and has provided finance for research in productivity improvements, market expansion and vertical diversification.[40] The UNCTAD technical cooperation project on capacity-building for diversification assists 37 LDCs in Africa, 6 in Asia and 5 small island developing States in Oceania. In September 2001, UNCTAD organized a regional training workshop in Fiji on the challenges and prospects for commodity-based diversification in Pacific island economies. In July 2002, the Government of Guinea held a workshop on horticultural development. During the period under review, many Governments have taken advantage of technical cooperation programmes, but many more need to act expeditiously and resolutely. Good programmes on competition law and policy, on market access (rules of origin in particular), on transport, trade facilitation and customs systems are on offer from many international agencies. They will help government and private sector officials improve their skills in respect of trade management and prepare them for globalization. LDC Governments need to be more proactive in taking advantage of the many programmes currently offered by UNCTAD and ITC. Both the Asian Development Bank and the African Development Bank should consider funding diversification programmes on a grant basis for their LDC member States.

40. ITC "match-making" programmes are of major significance in building partnerships. These programmes enable enterprises in developed countries to locate potential partners in developing countries and, through a set of financial and technical arrangements, engage them in the production and distribution of specified goods and services. LDC Governments need to locate niche markets, especially in the South, adopt new technology and turn their comparative advantages into business opportunities which would allow them to produce tradable goods and services. Understanding the modalities of commercial diplomacy within UNCTAD and WTO must translate into LDC capacities to produce, package, distribute and sell high-value goods and services to the rest of the world, on a non-discriminatory basis.

41. According to DAC,[41] the major contribution by the donor partners and multilateral agencies since the launching of the Doha Development Agenda has been the commitment to place trade matters in the context of poverty reduction and development strategies and to strengthen trade capacity-building through two concrete undertakings. Many donors[42] have undertaken to increase resources for both multilateral and bilateral activities and have firmly linked trade to poverty reduction and economic development, thereby promoting greater participation in the multilateral trading system. DAC and WTO have jointly developed a Trade Capacity-Building Database with the aim of providing a user-friendly tool for information-sharing, coordination and monitoring of the implementation of commitments made at Doha. Data from 28 bilateral donor countries and multilateral agencies show an increase in commitments (in the areas of trade policy and regulations, trade development, infrastructure) approximating 2.4 per cent of total assistance in 2001. A regional workshop, "Trade capacity-building: experiences in an African context", jointly organized by DAC with ECA, was attended by 86 participants, one third of them women, from East African countries. The workshop discussed trade capacity-building in Africa, participatory trade policies and their mainstreaming in national development and poverty reduction strategies, the role of donors in supporting trade policy process and methods for strengthening trade policy process and trade capacity. Although neither activity is specifically LDC-focused they both address priority issues contained in the Brussels Programme of Action and the lessons drawn from the workshop would certainly apply to the majority of LDCs.

Commitment VI
Reducing vulnerability and protecting the environment

42. The objective of reducing vulnerability to natural disasters and providing protection from environmental degradation remains a formidable challenge to most LDCs. Natural shocks, the adverse effects of climate and the loss of biological diversity are serious obstacles to sustainable development. As with the issue of trade, the solution to many of the environmental problems in the LDCs is bound to be global. It is through global partnerships such as the Brussels Programme of Action that LDCs can take advantage of recent momentum and international commitments reached during the World Summit on Sustainable Development, held in Johannesburg, South Africa, in 2002. A high-level Asian and Pacific regional meeting in preparation for the World Summit was organized by the Asian Development Bank, ESCAP, UNDP and the United Nations Environment Programme (UNEP) in Phnom Penh in November 2001. Although some achievements were acknowledged, the meeting recognized that a number of countries continued to experience deterioration in environmental quality and depletion of natural resources. It was concluded that solutions were to be found in poverty reduction and more effective participatory development management involving civil society in decision-making. The need to consolidate best practices in priority areas of Agenda 21 was reaffirmed.

43. The Johannesburg Declaration on Sustainable Development resolved to pay attention to the developmental needs of LDCs. A number of positive developments have taken place, but limited LDC capacity and resources continue to impede the attainment of desired goals. Many of the environmental actions of LDCs were reflected in country reports to the Johannesburg World Summit. The reports

influenced much of the debate, as well as the final outcome at the Summit. Important linkages were made between environment, poverty and the use of natural resources, and support was obtained for a world solidarity fund for the eradication of poverty. The work of EC, UNDP, the World Bank and the United Kingdom DFID examining the linkages between poverty and the environment should be helpful. Major commitments were entered into based on Agenda 21 issues, such as access to safe water, proper sanitation and clean, modern energy services. Follow-up meetings are planned by the Commission on Sustainable Development to track implementation of the Summit's key decisions. At the Third World Water Forum, held in Kyoto, Japan, in March 2003, a forceful case was made on water issues in LDCs by the Office of the High Representative in a report entitled "Critical importance of water issues for LDCs".

44. Examples of LDC action in this regard are worthy of mention. The Government of Chad elaborated a programme of action that included the setting up of a water bureau to help reduce vulnerability to repeated droughts. The Government of Madagascar launched a two-phase national programme on coastal zone development and biodiversity that has been incorporated in the PRSP. Ethiopia's national programme has resulted in the formation of local seed banks for farmers, increasing yields for wheat and millet. A water sector development plan costing $7 billion birr has been drawn up and Ethiopia is also active in an inter-country project in the Nile Basin initiative, together with nine other countries. The strategic plan of the Government of Mauritania focuses on biodiversity, whereas that of Mali concentrates on the exploitation of the Kita forest. The national plan of the Lao People's Democratic Republic sets out a blueprint for land, forestry and water resource management. That of Cambodia deals with floods, typhoons and drought within a framework devised by the National Committee for Disaster Management. The Government of Portugal provided training and capacity-building support in the formulation of national environmental policies and an environment database for four LDCs.[43]

45. Although experiencing scarcity of resources, NGOs are active in promoting environmental sustainability through collaborative research, policy studies, networking and knowledge dissemination, often attracting funding from donor partners. For example, Environmental Development Action based in Senegal, the International Institute for Environment and Development and the Bangladesh Centre for Advanced Studies conducted a study on mainstreaming adaptation to climate change in LDCs, based on the experience in Bangladesh and Mali that brought out the vulnerability of those countries in terms of food security, human health and agricultural production.

46. In the light of the United Nations focus on capacity-building, ESCAP provided training and advisory services in strategic environmental planning for LDCs in the Pacific in 2002. Attention has also been directed to the prevention of urban disasters caused by flooding and groundwater contamination (Bangladesh), urban and industrial environmental management (Vanuatu), natural hazards management and sustainable development, for example, climate change and water resource management (Lao People's Democratic Republic). As a member of the Inter-Agency Task Force for Disaster Reduction, FAO established nine regional wildfire networks, disseminated information, prepared guidelines and model arrangements and directed training for building management capacity. In reducing the vulnerability of agricultural communities to natural disaster, countries are assisted in developing

national food insecurity and vulnerability information and mapping systems. FAO prevention and mitigation measures include drought-mitigation and management strategies, multi-stakeholder disaster management strategies and mechanisms, and community-based risk alleviation strategies. The Global Information and Early Warning System for food and agriculture monitors food supply and provides up-to-date information on crop prospects and imminent food crises. UNV established an internal facility for the speedy deployment of United Nations Volunteers for emergency relief and humanitarian assistance, as was the case for the Mozambique floods, Cyclone Mitch in Central America and the severe drought in Malawi.

47. In November 2001, the Conference of the Parties to the United Nations Framework Convention on Climate Change approved programmes to assist LDCs in preparing national adaptation programmes of action to address the immediate issues relating to climate change. In 2002, the Global Environment Facility (GEF) organized a consultation with invited experts, including members of the LDC Expert Group, in Tanzania to reach agreement on expedited GEF guidelines for these national adaptation programmes of action. Individual country efforts are ongoing and are supported by a special LDC Trust Fund on Climate Change, with contributions of US$ 8.7 million from nine donor countries and additional pledges of US$ 6.1 million as of 31 March 2003. To access these funds, a number of countries have elaborated proposals for developing their national adaptation programme of action with support from the GEF, through UNDP and UNEP.

48. As the United Nations system's regulatory agency for maritime matters, the International Maritime Organization (IMO) covers a range of activities, from shipping for sustainable development to environmental protection, inter alia. In the area of environmental protection, the IMO programme entails strengthening national and regional capacity to prevent and mitigate marine pollution, in particular through the implementation of training programmes and expert advisory services. LDCs have been the main beneficiaries, through the development, revision and updating of national legislation in seven LDCs.[44] South Asian countries, including Maldives, received assistance in oil spill contingency planning.

Commitment VII
Mobilizing financial resources

49. Illustrations of progress achieved by LDCs in mobilizing domestic resources serve to demonstrate their determination to fulfil commitments to the Brussels Programme of Action. Tanzania's PRSP shows that the country expects to finance 70 per cent of its total expenditure for fiscal 2000/2001-2002/2003, with 30 per cent coming from external sources. The Government's Medium-Term Expenditure Framework monitoring and controlling government expenditure has the desired effect of minimizing costs and maximizing savings. Zambia's Integrated Finance Management Information System, a managerial tool for its PRSP, accentuates budgetary control and monitors public expenditure. A broad-based system of fiscal and financial reforms is being implemented to improve government revenues and reduce the country's dependence on foreign aid (now 67 per cent of total capital expenditure). In the Gambia, projections in the PRSP suggest that gross domestic investment will increase from 18 to 22 per cent of GDP between 2002 and 2005, reflecting a higher rate of domestic savings.[45] Cambodia's Medium-Term Expenditure Framework emphasizes revenue enhancement and cost control. The country's 2003 budget provides for improvements in social spending and in resource

mobilization, with the aim of increasing the ratio of domestic revenue to GDP from 9 per cent in 1998 to 14 per cent by 2005. Nevertheless, it will finance its PRSP (2003-2006) of $1.5 billion with $208 million from government revenue, $1.08 billion from ODA and $250 million from foreign direct investment (FDI).[46]

50. In recent years many LDCs have redoubled their efforts to improve the investment climate in their countries in order to attract more substantial flows of foreign direct investment. According to UNCTAD, global FDI for developing countries has increased dramatically over the past decade, from $209 billion in 1990 to more than $1.3 trillion in 2000. Yet, only 0.5 per cent of this amount has been invested in the 49 LDCs.[47] FDI rose from an annual average of $0.6 billion in LDCs during the period 1986-1990 to an annual average of $3.7 billion during the period 1996-2000. One third of this amount, however, was directed to four major oil-exporting States, leaving $2.5 billion for the remaining 45 countries.[48] The Brussels Programme of Action introduced a sense of urgency by stressing the significance of national ownership and responsibility. Many LDCs have prepared investment reviews, entered into important international investment treaties and have benefited from technical assistance from UNCTAD, the World Bank and the Asian and African Development Banks. Political stability, the right macroeconomic policies, a favourable legal framework (for example, laws that ensure equal treatment of foreign and domestic investors, and double taxation treaties), adequate infrastructure and productive human capital constitute the main determinants for attracting FDI. According to the World Bank, the experience of LDCs like the United Republic of Tanzania, Mozambique and Uganda bears this out: the ratio of FDI to GDP in those countries rose by 35 per cent, 33 per cent and 81 per cent respectively between 1992 and 1997.[49] For South Asia, FDI rose to $4.2 billion in 2001, of which approximately 10 per cent went to Bangladesh. The current top 10 LDC recipients of FDI are pursuing successful policies.[50]

51. In preparation for the Conference on Financing for International Development, held in Monterrey, Mexico, in March 2002, ECA organized several workshops and meetings pressing the case for faster debt relief and more ODA for the poor and indebted countries of Africa. The final outcome of the Conference struck an optimistic chord, calling for particular attention to the special needs of African LDCs, small-island developing States and landlocked developing countries. Adopting its Consensus by acclamation, participants in the Conference reaffirmed their commitment to the Brussels Programme of Action, emphasizing their resolve to mobilize domestic resources, attract international flows, promote international trade as an engine for development, increase development cooperation and address the need for sustainable debt financing and debt relief. In that context, the Conference stressed the continued importance of ODA and urged developed countries that had not done so "to make concrete efforts towards the target of 0.7 per cent of gross national product (GNP) as ODA to developing countries and 0.15 to 0.20 per cent of GNP of developed countries to least developed countries".[51]

52. At present, Denmark, Luxembourg, the Netherlands, Norway and Sweden are above the 0.20 per cent target. DAC members announced increases in ODA commitments in order to achieve the Millennium Development Goals and to eradicate poverty and, if these increases are realized, the DAC total ODA/gross national income (GNI) ratio could rise to 0.26 per cent in 2006, with some extra US$ 15 billion ODA compared to 2001. The Governments of Canada, Norway and Switzerland have announced generous increases. Shortly before the Conference, the

Government of the United States announced a new foreign aid programme called "Millennium Challenge Account" designed to provide substantial assistance to low-income countries, under which United States core development assistance will be increased by 50 per cent. The large majority of DAC members have untied all categories of LDC ODA according to set criteria, while some others (Finland, France, Germany, Ireland, the Netherlands, Norway, Switzerland and the United Kingdom) have exceeded those criteria. Similarly, in 2002 eight members of the European Union had already met the ODA/GNI target of 0.33 per cent and in 2003 another 10 States are expected to so.[52]

53. A few organizations in the United Nations system utilized the Brussels Programme of Action to mobilize additional resources through special trust funds or other extrabudgetary resources. For example, the Consultative Committee of UNIFEM approved a doubling of core resources for Africa with its majority of LDCs, the United Nations Capital Development Fund (UNCDF) launched a special appeal, as did ECA and UNESCO, while FAO, ITU, UPU and WMO sought to build LDC focused trust funds. Reports on the success of these initiatives are not yet forthcoming. The Trust Fund for the support of the activities of the Office of the High Representative has attracted contributions from the Governments of Austria, Bhutan, Cyprus, Greece, Ireland and Kuwait, but more are needed. Data from the United Nations Development Group (UNDG) on operational activities for development for 1999 to 2001 show that UNDP has registered declines in both main programmes and administered funds, as has the United Nations Population Fund (UNFPA), the former declines of from 19 to 16 per cent and from 27 to 19 per cent and the latter of from 33 to 29 per cent. UNICEF and the World Food Programme (WFP) have both shown increases for the same period of from 43 to 45 per cent and 50 to 54 per cent respectively, the increase for WFP attributed largely to food emergencies.[53] Undoubtedly the downturn in ODA in the recent past accounts for this somewhat dismal picture, although in the case of UNDP the decline in ODA to LDCs is significantly lower than to other countries. With some donors reporting planned increases in ODA, there is a reasonable expectation that a portion of these funds would be directed to LDCs through multilateral institutions, including the United Nations system.

54. UNCDF, as a small-scale multilateral organization having LDCs as its primary target constituency, plays a unique role in the implementation of the Brussels Programme of Action by providing over 70 per cent of its resources to LDC programmes through microfinance and decentralized public investment for local governance. The poverty orientation of UNCDF is well established. The Brussels Declaration afforded UNCDF a platform from which to launch a special appeal for increased resources to meet LDC demands.

55. The Brussels Programme of Action called for quantitative increases and qualitative improvements in ODA, and recognized that the latter can best be achieved through effective aid delivery systems. LDCs were called upon to adopt national development strategies with appropriate auditing and accounting systems, install reliable information systems and enhance administrative arrangements that facilitate greater coordination. The development partners were expected to be unambiguous in their commitment to national ownership, to honour agreements made in Brussels, to encourage wide participation and to exercise transparency in support of LDCs. Existing policy review mechanisms such as the World Bank's Consultative Group and UNDP round tables are important in the process of helping

LDCs coordinate their development assistance efforts. As PRSP is now becoming the primary mechanism for building policy coherence in national development strategies and in delivering development assistance, increased usage, simplification of preparation, wider participation and national ownership and control over the process and content of the document could result in rationalization and realignment with other planning tools and could have a positive impact on donor financing.

56. For many LDCs, debt continues to be a major domestic stumbling block. High levels of debt and debt service payments are draining away development resources. Many LDCs that have designed debt reduction strategies, 14 at the last count,[54] have been helped by UNCTAD through its Debt Management and Financial Analysis System. However, this is not the only solution to the debt problem. Continued improvements have to be made in fiscal and financial management within the LDCs. Changes in the external environment (heavily indebted poor country (HIPC) initiatives and donor debt forgiveness schemes), will also help, as there is a pressing need in the LDCs for much deeper debt relief. Many Governments will have to review their levels of indebtedness and seriously consider whether they need to borrow as much as they currently do. The endless cycle of using new monies to pay for old debt will keep the LDCs in a poverty trap for a long time to come. Obviously, individual country efforts would be significantly enhanced within regional development frameworks, where collective measures could improve negotiating strengths in international financial circles.

57. In some quarters the HIPC process is considered unduly lengthy and access procedures burdensome. At the end of 2002, of the 32 LDCs that are in the HIPC programme or are potential candidates (Angola and Yemen), only five[55] have reached "completion point", 15 have reached the "decision point" or intermediate benchmark[56] and 10 are still to be considered.[57] Collaboration between IMF and the World Bank has resulted in debt-reduction packages under the enhanced HIPC removing over US$ 40 billion in debt from 26 countries, the majority (20) being LDCs in Africa. A number of donors, for example Canada, Italy, Japan and the United Kingdom, have announced additional debt relief and, in view of the shortfall in the HIPC Trust Fund, some have agreed to increase their contribution to it. The Government of Morocco has announced the cancellation of the debt of African LDCs and duty-free access for their exports.[58] In the interest of sustained development efforts, additional post-HIPC debt relief will be considered on a case-by-case basis. World Bank International Development Association (IDA) helps LDCs reduce poverty by providing "credits", zero interest loans with a 10-year grace period and maturities of from 35 to 40 years. IDA 13[59] replenishment will make available an estimated US$ 23 billion to poor IDA members for three years from July 2002. A new results-based measurement system will link IDA programmes to countries' development outcomes.

III. Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

58. As a member of UNDG and the Executive Committee on Economic and Social Affairs, the Office of the High Representative participates in decision-making at senior levels of the United Nations system, including setting the priority strategy of

advocacy and outreach for coordination of the Brussels Programme of Action implementation. The Office holds frequent consultations with LDCs and their national partners in civil society and the private sector, multilateral organizations and the donor community on how best to proceed with the implementation of the Programme of Action. Resident Coordinators' reporting from individual LDCs is particularly useful. Consultations in New York and elsewhere, for example at the Ministerial Conference of the least developed countries in Benin, in August 2002, which approved the Cotonou Declaration, are mutually beneficial, providing a platform for advocacy by the Office of the High Representative in support of the Brussels Programme of Action. In concert with other United Nations organizations, the Office is also coordinating the preparatory process for the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, to be held in Kazakhstan in August 2003, as well as the preparatory process for the international meeting to undertake a full and comprehensive review of the implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States, scheduled to be held in Mauritius in 2004.

59. In order to assist LDCs in undertaking some of the tasks for the implementation of the Brussels Programme of Action, the Office of the High Representative plans to organize workshops for LDCs and United Nations system focal points in close collaboration with the United Nations Development Group Office and other relevant multilateral organizations. Support from Member States for these workshops will be welcomed.

IV. Conclusions

60. LDC actions to fulfil Brussels Programme of Action commitments are yet to materialize, considering the limited time since the Brussels Conference, the paucity of data, the complexity of the issues involved and capacity constraints. Ownership is a critical component for LDCs in the context of implementation of the Programme of Action. Through their many pronouncements, LDC Governments have shown a willingness to undertake the necessary measures to reverse the fortunes of their people. The right economic and social policies must be pursued and suitable international conditions, both in economic and governance terms, must prevail in order for them to make meaningful progress towards the achievement of the targets of the Programme of Action. Quantifiable and qualitative targets present challenges for the LDCs, as indicators are necessary for the purpose of constructing benchmarks against which progress can be measured. There is still much to be done as LDC Governments continue to improve their economic management processes and foster the development of viable democratic institutions. At the same time, LDCs must be given the opportunity to compete on a fair and equitable basis.

61. The implementation of, follow-up to and reporting on the Brussels Programme of Action at the national level are of primary importance. The national arrangements, including the establishment of a national forum, are critical for conducting regular and systematic follow-up and monitoring of the implementation of the commitments at the national level. In this context, the designation of a national focal point is crucial. Only nine LDCs have set up national forums, as reported to the Office of the High Representative, and very few LDCs (10 out of 49)

have designated focal points within their respective Governments to monitor the implementation of the Programme of Action and to serve as a contact point for development partners. National arrangements are the most effective means of ensuring national ownership of the programme. Only nine LDCs out of 49 submitted inputs for the preparation of the present report.

62. Partnership is an integral component of the Brussels Programme of Action. Although LDCs are primarily responsible for designing and sustaining their development strategies, it is through genuine partnerships, including with civil society and the private sector, generously supported by the international community, that significant gains will be made. The United Nations system has demonstrated the effectiveness of inter-agency partnership in generating system-wide coherence and coordination, as reported in earlier sections of the present report. However, most LDCs experience great difficulty in coping with the plethora of demands from various partners that have an impact on the opportunity and transaction costs. Nevertheless, these instruments and frameworks, for example, PRSP, the common country assessment and the United Nations Development Assistance Framework combined with individual donor requirements, are burdensome. LDCs plead for more effective realignment and/or rationalization in order to lessen the process demands and reconcile them with LDC operational and capacity realities. Most LDCs have neither the requisite national capacity to implement the measures that would allow them to reach the targets set out in the various frameworks and programmes, nor the resources to pay for them. The United Nations system and international partners could support one nationally driven analytical process and one nationally driven process to set up the poverty reduction strategies and priorities. The response of the United Nations system and other international entities to these processes should be harmonized and prepared, placing a minimum burden on Governments.

V. Recommendations

63. **A number of challenges must be met for the successful implementation of the Programme of Action for the Least Developed Countries. First, strong commitment and concerted efforts on the part of LDCs require unstinting support from the international community. Second, a clearly defined operational plan must be drawn up designating the roles of stakeholders, sequenced priorities and coordinated actions at the national, regional/subregional and global levels. Third, arrangements for continuous reporting and follow-up, coordination, monitoring and review of the progress of implementation must function effectively. The recommendations outlined below address these challenges, seek to overcome critical constraints and delays in implementing the Brussels Programme of Action and set a positive and realistic course for the future. The final outcome will depend on the resolve of all stakeholders in the Brussels Declaration to make this decade exemplary with respect to the achievements of the LDCs in terms of growth and sustainable development.**

(a) LDCs should continue with policy reforms, including the strengthening of governance and democratization mechanisms that will improve their capacity to implement programmes of assistance. Coordination of important political, economic and social action in concert with regional economic groupings should be pursued as a matter of priority.

(b) LDC Governments are encouraged to take positive steps to create the necessary mechanisms for the implementation and follow-up of activities related to the Brussels Programme of Action and may wish to seek the assistance of the United Nations Resident Coordinator and country team in these endeavours.

(c) LDCs should include a reference to the need for implementation of the Brussels Programme of Action in their poverty reduction strategy papers.

(d) Monitoring and reporting of the Brussels Programme of Action by LDCs is an important element of the annual review and LDCs should submit their inputs on a timely basis.

(e) Consistent with the spirit of the Brussels Programme of Action, donor countries should continue their efforts to open up their markets to the LDCs and reduce internal subsidies, as well as tariffs, to allow the LDCs to compete on an equal basis. In this context, donors should continue to provide technical support and resources to LDCs to assist them in achieving the goals of the Programme of Action.

(f) Donor countries should consider setting aside adequate funds to support post-conflict recovery and reconstruction efforts in LDCs emerging from conflict, so that special appeals made for sudden crises with wide global visibility do not negatively affect funding for the alleviation of less visible but equally deserving complex emergencies.

(g) Donor countries may wish to consider establishing a specific category for LDCs, so that their development cooperation reports can incorporate all information relevant to those countries.

(h) Member States are encouraged to make voluntary contributions to the Trust Fund established to support the activities of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, as called upon by the General Assembly in its resolution 57/276.

(i) Regional development banks are encouraged to increase their support to LDCs for the implementation of the Brussels Programme of Action, including the provision of resources and appropriate technical expertise.

(j) South-South activities, including triangular cooperation, as well as linkages that allow LDCs to take greater advantage of preferential arrangements, should be pursued in implementing the Brussels Programme of Action. In their cooperation programmes the developing countries in a position to do so should provide special support and assistance to the LDCs.

(k) International/multilateral organizations that have not already done so are encouraged to consider establishing a specific category for LDCs in their annual reporting and other activities.

(l) Civil society/NGOs and the private sector, as important development partners of LDCs, should mobilize their constituencies to enhance the implementation of the Brussels Programme of Action at the national, regional and global levels.

Notes

[1] A/CONF.191/11.

[2] A/56/645.

[3] Inputs were received from:

Least developed countries: Bhutan, Cambodia, the Lao People's Democratic Republic, Samoa, Somalia, Togo, Uganda, the United Republic of Tanzania and Zambia;

Members of the Organisation for Economic Cooperation and Development (OECD): Canada, the European Commission, France, Germany, Hungary, Italy, Japan, Mexico, Poland, Portugal, Republic of Korea, Slovak Republic, Sweden, United Kingdom of Great Britain and Northern Ireland;

United Nations bodies and organizations: DESA/DAW, DPA, ECA, ECLAC, ESCAP, ESCWA, FAO, GEF/UNDP, Global Compact, ILO, IMF, ITC, ITU, UNAIDS, UNCDF, UNCTAD, UNDP, UNEP, UNESCO, UNFPA, UN-Habitat, UNHCHR, UNHCR, UNICEF, UNIDO, UNIFEM, UNV, WHO, WIPO, WMO, World Bank and WTO;

Other multilateral organizations: African Development Bank,, Asian Development Bank, ASEAN, SAARC;

Civil society/NGOs and the private sector: Franciscans-International, ICC, LDC Watch and the United Nations Non-governmental Liaison Service (NGLS).

[4] From Bangladesh, Nepal, Malawi, Togo and Zambia.

[5] European Commission contribution to the present report, 17 April 2003.

[6] FAO, UNCTAD, UNDP, UNEP, UNESCO, UNFPA, UNICEF, UNIFEM, WFP, WIPO and WTO.

[7] The Asian Development Bank, the African Development Bank, the South Asian Association for Regional Cooperation and the Inter-Parliamentary Union.

[8] Bhutan, Cape Verde, Equatorial Guinea, Mozambique and Rwanda. UNCTAD, Report of the Commission on Investment Technology and Related Issues on its fifth session (TD/B48/4).

[9] Bhutan, Burkina Faso, Cape Verde, Equatorial Guinea, Eritrea, the Lao People's Democratic Republic, Lesotho, Mozambique, and Sao Tome and Principe. UNCTAD, *World Investment Report 2002*.

[10] Government of Germany communication to the Office of the High Representative dated 2 April 2003, "Beyond Review: sustainable development and PRSP: challenges for developing countries and development cooperation". LDC participants in the conference included Ethiopia, Mali, Mauritania, Mozambique, Senegal, Uganda and Yemen.

[11] ECA, Report on the progress of implementation of the Brussels Programme of Action for African LDCs, April 2003.

[12] The Big Table is an initiative designed by ECA to promote frank and constructive dialogue between African finance ministers and their OECD counterparts.

[13] The PRSP Learning Group is a forum sponsored by ECA to facilitate African peer learning from the experience with PRSPs.

[14] Cambodia, Ethiopia, Mali and Nepal.

[15] Burundi, Burkina Faso, Lesotho, Mauritania, Rwanda, Senegal, Uganda and the United Republic of Tanzania.

[16] Political accountability, civil society participation, a competitive private sector, institutional restraints on power, public sector management.

[17] United Nations, *Hope for the Future, Consolidated Inter-Agency Appeals 2003*, table I: 2002 United Nations consolidated inter-agency humanitarian assistance appeals, summary of requirements and contributions by affected country/region as of 14 March 2003, www.reliefweb.int.

[18] See www.developmentgoals.org.

[19] DAC Journal 2002, vol. 3, No. 2.

[20] P. Svedberg, "841 million undernourished?", *World Development*, vol. 27, No. 12.

[21] UNCTAD, *The Least Developed Countries 2002 Report*.

[22] Angola, Cape Verde, Guinea-Bissau, Mozambique, Sao Tome and Principe, and East Timor.

[23] Angola, Burkina Faso, Burundi, Mozambique, Rwanda, Uganda and the United Republic of Tanzania.

[24] Angola, Bangladesh, Benin, Burundi, Cambodia, the Central African Republic, Chad, the Democratic Republic of the Congo, Eritrea, Ethiopia, Haiti, Lesotho, Madagascar, Malawi, Mali, Mozambique, Myanmar, Nepal, Rwanda, Togo, Uganda, the United Republic of Tanzania and Zambia.

[25] Angola, Benin, Burkina Faso, Burundi, Cambodia, the Central African Republic, Chad, the Lao People's Democratic Republic, Mauritania, Nepal and Togo.

[26] Chad, Guinea-Bissau and the United Republic of Tanzania.

[27] The UNCTAD publication *The Least Developed Countries 2002 Report*, "Escaping the poverty trap", refers to five quantifiable goals (omitting ports and airports) that are included in the six goals and targets of the Brussels Programme of Action.

[28] Cambodian national poverty reduction strategy, 2003-2005.

[29] Bhutan, Ethiopia, Gambia, Ghana, Myanmar and Zambia.

[30] LDCs involved in the workshop included Angola, Burundi, the Central African Republic, the Democratic Republic of the Congo, Equatorial Guinea, Rwanda, and Sao Tome and Principe.

[31] TCDC/13/1.

[32] Ibid.

[33] Cambodia, Lesotho, Malawi and Nepal.

[34] Cambodia, Madagascar and Mauritania.

[35] Burundi, Djibouti, Eritrea, Ethiopia, Guinea, Lesotho, Malawi, Mali, Nepal, Senegal and Yemen.

[36] Bangladesh, Haiti, Gambia, the United Republic of Tanzania and Uganda.

[37] EC contribution to the present report.

[38] Benin, Cape Verde, the Central African Republic, Chad, the Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Uganda, the United Republic of Tanzania and Zambia.

[39] UNCTAD, LDC report, op. cit.

[40] A/48/914, annex, Common Fund for Commodities.

[41] DAC Journal 2002, vol. 3, No. 2.

[42] Australia, Canada, Denmark, Germany, New Zealand, Norway, Sweden, the United Kingdom and the United States.

[43] Angola, Cape Verde, Mozambique, and Sao Tome and Principe.

[44] Angola, Benin, Comoros, the Democratic Republic of the Congo, Madagascar, Mauritania and Mozambique.

[45] Government of the Gambia: Strategy for Poverty Alleviation (SPAII).

[46] Kingdom of Cambodia: National Poverty Reduction Strategy 2003-05.

[47] United Nations Hope for the Future, Consolidated Inter-Agency Appeals 2003, op. cit.

[48] UNCTAD, FDI in Least Developed Countries at a Glance: 2002, United Nations, New York and Geneva, 2002.

[49] World Bank, *Global Development Finance, 2002: Analysis and Summary Tables*.

[50] Angola, Cambodia, Bangladesh, Lesotho, Mozambique, Myanmar, the Sudan, Uganda, the United Republic of Tanzania and Zambia. Source: various UNCTAD and World Bank reports (2001-2002).

[51] UNCTAD, FDI in Least Developed Countries at a Glance, op. cit.

[52] Contribution of EC to the present report.

[53] Report of the Secretary-General on comprehensive statistical data on operational activities for development for the year 2001 (E/2003/57).

[54] Angola, Bangladesh, Burundi, the Central African Republic, Chad, Djibouti, Ethiopia, Haiti, Rwanda, Sao Tome and Principe, the Sudan, Yemen, Uganda and Zambia.

[55] Burkina Faso, Mauritania, Mozambique, the United Republic of Tanzania and Uganda.

[56] Benin, Chad, Ethiopia, Gambia, Guinea, Guinea-Bissau, Madagascar, Malawi, Mali, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone and Zambia.

[57] Burundi, the Central African Republic, Comoros, the Democratic Republic of the Congo, Lao People's Democratic Republic, Liberia, Myanmar, Somalia, the Sudan and Togo.

[58] Statement of the Minister for Foreign Affairs and Cooperation of Morocco at a Group of 77 meeting in New York, 16 January 2003.

[59] In July 2002, donor representatives concluded negotiation of the 13th replenishment of IDA and agreed on a framework for the projected IDA13 programme and its associated financing needs.